

From: Tom Munson
To: Joelle Burns; Mary Ann Wright; Wayne Hedberg
Date: 9/25/01 10:11AM
Subject: Gemstone Mining Inc. Mine Foreclosure -M001/045

I had a conversation with Mr. Scott Wilkinson on Monday September 25. He gave me the contact of a lawyer in SLC named John Ashton 801-524-1000. I called on Monday and left a message since he would not be back in the office until Thursday.

Based on the circumstances regarding 90 day foreclosure initiated August 17th as stated in the letter we received from Mr. Wilkinson my recommendation is to request immediate reclamation of the property and begin the process to take this order before the Board on December 5th, noticed up by November 1st, initiating proceeding to take the reclamation bond before it expires on January 1, 2002. the exists as a Letter of Credit No. _____ in the amount of \$200,200.00.

We also hold a Exploration Permit(?) E001/107 and Letter of Credit for \$73,600 on the Millsite which does not come due until July.

0006